

SECTION 8: SPECIAL COMMODITY PROCEDURES

SUBJECT: FOREIGN SUPPLIERS Policy 8.10

POLICY: Purchases from foreign suppliers (which may require import into the United States) require additional steps to ensure the foreign supplier is appropriately registered, can receive payment, and in the case of imported goods, that the University will receive delivery.

PROCEDURE:

Supplier Registration

Foreign entities and individuals do not complete the same UW Supplier Registration Form as domestic suppliers. Furthermore, all foreign individuals and entities will need to make the appropriate determinations regarding tax payments to the Internal Revenue Service (IRS) and whether any tax treaties apply. The University will not be responsible for making such determinations.

Foreign Individuals acting as UW suppliers will need a Tax Identification Number (TIN) to receive payment from the University of Washington. For more information, foreign individuals should refer to UW Global Operations' guidance on Foreign National Payments & Tax.¹

Foreign Entities Performing Services within the US: must have the appropriate IRS form on file with UW's Accounts Payable department.² The UW Department will collect this form and forward it to the Non-Resident Alien Tax Desk in Accounts Payable.

Foreign Entities Selling Products/Performing Services Outside the US: are not required to complete the UW Supplier Registration or other IRS document unless a copyright or royalty payment is being made

Payment

Payment to foreign suppliers is accomplished differently than most domestic suppliers. Foreign suppliers are paid by paper check, wire transfer or ACH payment, not Bank Card.³ The default is payment by check in U.S. Dollars. Payment by wire transfer or other special payment must be negotiated prior to entering into the agreement.

Purchase orders should indicate payment will be made in US dollars and may not exceed the US Dollar amount stated on the order. Invoices not billed in US Dollars will be converted using the current exchange rate when transmitted. The encumbered amount may not exactly match the paid amount. While UW may not send checks in foreign currency, UW may send wire transfers in foreign currency if necessary.

¹ Available at: <http://f2.washington.edu/fm/globalsupport/foreign-national-payments-tax>

² Available at: http://apps.irs.gov/app/picklist/list/formsPublications.html;jsessionid=mYNksWj8ciPzwMDEuWu0cQ_?value=W-8&criteria=formNumber&submitSearch=Find

³ACH Payments are only available if the foreign vendor has a U.S. bank account..

Customs/Expeditors

For goods imported into the United States, customs brokerage may be required. The University of Washington uses Expeditors as its customs brokerage service. For purchases of goods from a foreign supplier where customs clearance for import into the United States is required, alert the supplier in writing, preferably within the contract, or on the face of the purchase order. Additionally, contact Expeditors to ensure that Expeditors is aware of the shipment. Expeditors can assist in meeting regulatory requirements, filing import, export, and security declarations electronically, ensuring customs compliance and mitigating the risks and costs of illegal, prohibited, and otherwise non-compliant purchases.

Power of Attorney for Customs

UW has not granted power of attorney to brokers other than Expeditors. If Power of Attorney is requested on an order where a broker other than Expeditors has been used, refer the order to Expeditors to determine if they can handle the order.

Export/Import Controls

When making purchases from international suppliers, determine whether the product or service to be purchased will be subject to any import and/or export controls, and whether the supplier from whom the purchase will be made has been sanctioned by the US government. Any purchase that may be subject to import/export controls, or which may be with an individual or organization subject to Office of Foreign Assets Control sanctions, or which is to be performed in a country subject to the Office of Foreign Assets Control sanctions must be referred to Procurement Services for review to ensure compliance with all federal laws and regulations.

Import/Export Controlled Goods/Services: Some goods and services purchased by the University of Washington are subject to import and export controls. The Export Administration Regulations (EAR) and International Trafficking in Arms Regulations (ITAR) govern many international exports and imports of both goods and services. ITAR and EAR each have vast scopes and compliance with each should be analyzed on a case-by-case basis.

Sanctioned Individuals, Organizations, or Locations: While EAR and ITAR govern the import and export of specific goods and services, with differing restrictions by country, the Specially Designated Nationals (SDN), and Office of Foreign Assets Control (OFAC) list of Sanctioned Countries restrict the transaction of business with specific individuals, organizations, or countries, with differing restrictions by commodity. UW is prohibited from conducting business with individuals or groups on the SDN list. UW may not do business with any entity operating within a Sanctioned Country if OFAC has prohibited US organizations from doing business with entities within that entity's industry in the sanctioned country.